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October 2, 2001

VIA HAND DELIVERY

Magalie Roman Salas, Esquire
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of an *Ex Parte* Meeting
in the Matter of
Developing a Unified Inter-carrier Compensation Regime
CC Docket No. 01-92 /

Dear Ms. Salas:

Today, Joel M. Margolis, Senior Corporate Counsel-Regulatory and Robert Edgerly, Senior Manager, Interconnect for Nextel Communications, Inc. ("Nextel"), as well as Laura H. Phillips, counsel for Nextel, met with Joseph A. Levin, Senior Economist, Policy Division, Wireless Telecommunications Bureau, Gregory R. Vadas, Attorney Advisor, Policy Division, Wireless Telecommunications Bureau and Joshua E. Swift, Attorney Advisor, Common Carrier Bureau, Competitive Pricing Division for the Federal Communications Commission.

During the meeting, the participants discussed inter-carrier compensation issues raised in the above-referenced docket. Enclosed is the presentation Nextel prepared and discussed at the meeting.

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Magalie Roman Salas, Esquire
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Pursuant to Section 1.1206(b) of the Commission's Rules, an original and two copies of this letter and attachment are being submitted to the Secretary's office and a copy is being provided to Messrs. Levin, Vadas and Swift. Please inform me if any questions should arise in connection with this filing.

Respectfully submitted,

A handwritten signature in black ink, reading "Laura Phillips". The signature is written in a cursive, flowing style.

Laura H. Phillips
Counsel for Nextel Communications, Inc.

LHP:css
Enclosures
cc (w/o encl.): Joseph A. Levin
Gregory R. Vadas, Esquire
Joshua E. Swift, Esquire



INTER-CARRIER COMPENSATION ISSUES

CC Docket No. 01-92

Nextel Communications, Inc.

October 2, 2001



Nextel Supports Bill and Keep

Nextel is a nationwide CMRS provider with over 150 interconnection agreements

Nextel strongly supports Bill and Keep as the most appropriate compensation arrangement between CMRS providers and Incumbent Local Exchange Carriers (ILECs).

- The FCC has full authority and substantial reasons to implement a uniform federal framework for CMRS-ILEC interconnection
- The FCC also must ensure all ILECs fulfill their existing federal interconnection obligations



Bill and Keep Is Fair and Reasonable

- Nextel's traffic exchange with ILECs is close to balance -- thus, bill and keep represents reasonable compensation for the mutual transport and termination of traffic
- CMRS cost studies demonstrate higher forward-looking traffic sensitive network costs than those of the ILEC
- bill and keep is far more efficient than having each carrier prove its costs



Transit Arrangements Are Essential to Call Completion

- There are over 1400 small ILECs throughout the United States and no carrier has a direct connection to each one
- Typically, a dominant ILEC provides the ability to interconnect and complete calls to smaller ILECs through transit arrangements
- Many small ILECs have relatively small customer bases who make and receive relatively few CMRS calls
- Direct connection by CMRS carriers to all rural ILECs would not be economically rational



Transit Arrangements Are Essential to Call Completion

- Some rural ILECs and dominant ILECs are attempting to withdraw from transit arrangements
 - The Missouri PSC, for example, has allowed rural ILECs to file wireless termination tariffs that charge one-way access-type rates for ILEC termination of CMRS calls that transit from SBWT
 - These same ILECs place calls from their landline customers onto access trunks so that they can collect originating access payments from IXCs and avoid paying reciprocal compensation to CMRS carriers
 - This appears to be a case of rural ILECs using a state commission as a shield to ignore their obligations under FCC interconnection rules



The MTA Is the Proper CMRS Local Calling Area

- The FCC previously determined that the relevant geographic area for interconnecting to mutually exchange traffic between a CMRS carrier and an ILEC was the Major Trading Area (MTA), regardless of the geographic area of the ILEC
- Some ILECs ignore this and use their landline boundaries as the relevant area to measure their interconnection obligations with CMRS carriers.
- The FCC must clarify that ILECs and state commissions cannot ignore the MTA rule
- ILECs must cooperate to provide CMRS interconnection, even if the point of interconnection is outside their serving area

The FCC Should Not Await Resolution of IXC Access Issues

- CMRS carriers are entitled to access charges from IXCs for originating and completing inter-MTA calls
- There is no reciprocity of call termination functions between a CMRS carrier and an IXC terminating traffic
- This issue is not, however, so significant that it should slow FCC action on adopting bill and keep as the presumptively reasonable rate for the exchange of intra-MTA CMRS-ILEC traffic